

# **EXECUTIVE SUMMARY**

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## **PURPOSE**

To assess geographical variation in average number of Medicare visits provided by home health agencies.

## **BACKGROUND**

In a prior 1995 inspection report, we described significant variation among home health agencies (HHAs) in average reimbursement per beneficiary. The highest-reimbursement group of HHAs received, on average, five times more Medicare reimbursement per beneficiary than did the lowest-reimbursement group. The variation in reimbursement among HHAs was largely caused by variation in the average number of visits per beneficiary.

This report identifies geographic locations of high-visit HHAs. The Health Care Financing Administration (HCFA), State survey agencies, Regional Home Health Intermediaries (RHHIs), Offices of Investigations and Audit Services in the Office of Inspector General, and law enforcement agencies will find the report useful in targeting resources for detection and prevention of fraud and abuse.

We analyzed HCFA data on Medicare reimbursement for home health services in calendar year 1993. The HCFA data represented services provided by 6,803 HHAs to over 3 million beneficiaries.

## **FINDINGS**

### **Nineteen States Had A Larger Concentration Of High-Visit HHAs Than Other States**

Home health agencies in 19 States exceeded the national average of 50.4 visits per beneficiary. HHAs in those States averaged 67.2 visits per beneficiary while HHAs in the remaining 34 States averaged 36.

### **Home Health Agencies In The Southeastern Region Averaged The Most Visits Per Beneficiary**

HHAs in Region IV (Southeastern Region) averaged 70 visits per Medicare beneficiary. Seven of the eight States in Region IV were among the 19 high-visit States.

### **Home Health Agencies In Four Southeastern States Averaged Twice As Many Visits Per Medicare Beneficiary As HHAs In All Other States**

HHAs in Tennessee, Alabama, Mississippi, and Georgia combined averaged 92.7 visits per beneficiary. All other States averaged 45.7 visits.

About 86 percent of the HHAs located in these four Southeastern States exceeded the national average number of visits per Medicare beneficiary compared to 34 percent for the rest of the nation.

About 35 percent of the HHAs located in these States averaged 100 or more visits per Medicare beneficiary compared to 7 percent of the HHAs in the rest of the nation.

**Regardless Of Their Location, HHAs Serviced By Regional Home Health Intermediaries Located In The Southeast Had The Highest Number Of Visits Per Medicare Beneficiary**

Home health agencies serviced by Aetna Life Insurance in Clearwater, Florida and Blue Cross & Blue Shield in Columbia, South Carolina averaged 72.2 and 65.1 visits per Medicare beneficiary, respectively. This is about twice the average of HHAs serviced by Independence Blue Cross in Philadelphia, Pennsylvania and Blue Cross in Woodland Hills, California, which had the lowest average number of visits among the nine RHHIs. Some of the HHAs the two Southeastern RHHIs service are located outside of the Southeast, suggesting that both the location of the HHA and the identity of the servicing intermediary are strongly associated with variation in visits.

**FUTURE OIG STUDIES**

In a previous report, "*Variation Among Home Health Agencies in Medicare Payments For Home Health Services*," OEI-04-93-00260, we recommended that HCFA take action to eliminate inappropriate variation in Medicare reimbursement among HHAs. Specifically, we suggested that HCFA target high-visit HHAs for further review. We believe the information in this report will assist HCFA in implementing that recommendation.

We also believe that the variation in average number of visits by State and regions raises questions about the uniformity of oversight among State survey agencies, HCFA regional offices, and Regional Home Health Intermediaries. We plan to continue our analysis of these and related questions under Operation Restore Trust.